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MMT HOLDINGS, INC.

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

Year Ended June 30, 2002

Under provisions of state law, this report is a public document. A copy of this report has been submitted to the clerk and other appropriate public officials. This report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 1/15/03

WAMI BHM OILSEAMS, INC.

Year Ended June 30, 2002

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SPRAGUE, HAMILTON, LEONARD & PACERA

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(FIRM NAME)

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New Orleans, LA 70112
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(FIRM NAME)

MEMBERSHIP

AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

FOURTH DISTRICT
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Executive Director and Board of Directors
NAMI New Orleans, Inc.
New Orleans, Louisiana

We have audited the accompanying consolidated statement of financial position of NAMI New Orleans, Inc. (a Louisiana non-profit corporation) as of June 30, 2002, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the management of NAMI New Orleans, Inc. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the organization's June 30, 2001 financial statements and, in our report dated August 14, 2001, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with U.S. generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of NAMI New Orleans, Inc. as of June 30, 2002, and the changes in its net assets and its cash flows for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued reports dated September 18, 2002 on our consideration of NAMI New Orleans, Inc.'s internal control and on its compliance with laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Executive Director and Board of Directors
MMMS New Orleans, Inc.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplementary information is presented for additional analysis purposes, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Spinkburg, Hamilton, Levenson & Padden

September 16, 1993

HARRIS NEW ORLEANS, INC.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
JUNE 30, 2002
(With Summarized Financial Information
at June 30, 2001)

	<u>2002</u>	<u>2001</u>
ASSETS		
<u>CURRENT ASSETS</u>		
Cash and cash equivalents	\$ 187,886	\$ 178,606
Investments	238,978	221,218
Due from Federal and State agencies	238,192	172,911
Prepaid expenses	<u>25,218</u>	<u>22,888</u>
Total Current Assets	<u>690,274</u>	<u>595,623</u>
<u>PROPERTY AND EQUIPMENT</u>		
Land	265,800	268,938
Building and improvements	958,808	927,135
Office furniture and equipment	52,368	52,748
Transportation equipment	78,871	67,830
Household equipment	24,971	24,971
Educational, recreational and cultural equipment	<u>1,232</u>	<u>1,217</u>
Total Property and Equipment	1,381,650	1,343,741
Less: Accumulated Depreciation	<u>272,459</u>	<u>239,416</u>
Net Property and Equipment	<u>1,109,191</u>	<u>1,104,325</u>
<u>OTHER ASSETS</u>		
Cash - Client funds	1,818	0
Deferred loan fees, net of accumulated amortization of \$4,333 at June 30, 2002 and \$4,481 at June 10, 2001	1,423	3,567
Deposits	<u>8,138</u>	<u>0</u>
Total Other Assets	<u>11,379</u>	<u>3,567</u>
Total Assets	<u>\$1,810,844</u>	<u>\$1,603,515</u>

See accompanying notes to financial statements.

NAMI TECH CORPORA, INC.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(Continued)
JUNE 30, 2003
(With Summarized Financial Information
at June 30, 2002)

	2002	2001
<u>LIABILITIES AND NET ASSETS</u>		
<u>CURRENT LIABILITIES</u>		
Accounts payable	\$ 14,304	\$ 13,321
Accrued expenses	35,758	57,536
Salaries payable	13,513	10,370
Due non-related working affiliate	0	40,000
Current maturities of long-term debt	<u>21,528</u>	<u>21,834</u>
Total Current Liabilities	<u>85,103</u>	<u>143,061</u>
<u>LONG-TERM DEBT</u>		
Non-current maturities	<u>160,204</u>	<u>405,261</u>
<u>OTHER LIABILITIES</u>		
Annuity payable	148,509	154,321
Funds held on behalf of clients	<u>2,812</u>	<u>0</u>
Total Other Liabilities	<u>151,321</u>	<u>154,321</u>
Total Liabilities	<u>496,628</u>	<u>702,643</u>
<u>NET ASSETS</u>		
Temporarily restricted	100,000	97,836
Unrestricted	<u>870,143</u>	<u>802,474</u>
Total Net Assets	<u>1,070,143</u>	<u>900,310</u>
Total Liabilities and Net Assets	<u>\$1,566,771</u>	<u>\$1,602,953</u>

See accompanying notes to financial statements.

1991 NEW ORLEANS, INC.
 CONSOLIDATED STATEMENT OF ACTIVITIES
 YEAR ENDED JUNE 30, 2001
 (With Summarized Financial Information
 for the Year Ended June 30, 2000)

	<u>Unrestricted</u>
<u>SUPPORT, REVENUE AND GAINS</u>	
Support:	
Donations	\$ 7,213
Miscellaneous	<u>58,528</u>
Total Support	<u>65,741</u>
Revenue and Gains:	
Fees for services - OMB/JPHSA/HRH	1,361,949
Investment income	6,852
Dues	2,518
Change in split-interest agreement	0
Rental income	25,369
Gain on disposal of property and equipment	<u>0</u>
Total Revenue and Gains	<u>1,396,688</u>
Total Support, Revenue and Gains	<u>1,462,429</u>
<u>EXPENSES</u>	
Program Services:	
Fairweather Lodge	61,686
Case management	37,741
Peer support	80,942
Housing	187,327
Employment	177,371
prog-in centers	68,366
Newport Place	<u>14,258</u>
Total Program Services	<u>648,391</u>
Supporting Services:	
Medicaid and general	316,111
Trust and administrative	<u>128,068</u>
Total Supporting Services	<u>444,179</u>
Total Expenses	<u>1,092,570</u>
<u>INCREASE IN NET ASSETS</u>	<u>369,859</u>
Net Assets - Beginning of year	<u>609,478</u>
Net Assets - End of Year	<u>\$ 979,337</u>

See accompanying notes to financial statements.

<u>1993</u>		<u>2001</u>
<u>Temporarily</u>		
<u>Restricted</u>	<u>Total</u>	<u>Total</u>
\$ 0	\$ 7,313	\$ 8,887
<u>0</u>	<u>28,528</u>	<u>21,888</u>
<u>0</u>	<u>88,741</u>	<u>38,481</u>
8	1,351,289	1,167,854
8	8,932	14,092
8	2,328	658
8,788	8,788	17,878
0	23,509	22,938
<u>0</u>	<u>0</u>	<u>734</u>
<u>8,788</u>	<u>1,384,172</u>	<u>1,199,189</u>
<u>8,788</u>	<u>1,457,914</u>	<u>1,209,129</u>
8	53,586	48,293
8	87,743	55,838
0	90,842	80,327
0	187,327	188,688
0	177,271	151,181
0	68,105	80,382
<u>0</u>	<u>18,208</u>	<u>14,928</u>
<u>0</u>	<u>648,293</u>	<u>619,119</u>
8	818,112	498,872
<u>8</u>	<u>110,310</u>	<u>118,444</u>
<u>0</u>	<u>828,171</u>	<u>617,316</u>
<u>0</u>	<u>1,205,481</u>	<u>1,237,316</u>
8,788	171,463	1,194
<u>21,528</u>	<u>916,934</u>	<u>805,608</u>
<u>5181,388</u>	<u>51,819,437</u>	<u>5,918,984</u>

BENTLEY SYSTEMS, INC.
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 1962
(Much Summarized Financial Information
For the Year Ended June 30, 1961)

	Program				
	Full- time Labor	Cash Service- men	Time Expense	Material	Employee- time
Advertising	\$ 38	\$ 12	\$ 48	\$ 484	\$ 1,488
Amortization	0	0	0	0	1,134
Bank charges	0	0	0	0	0
Client assistance	0	0	0	12,814	0
Depreciation	1,114	1,488	1,088	8,984	8,984
Draw and subscriptions	94	97	128	187	848
Field travel	800	1,487	6,177	4,014	8,127
Insurance	1,728	8,428	7,814	18,428	18,428
Interest	0	0	0	0	0
Maintenance and repairs	848	800	1,287	4,848	1,428
Miscellaneous	0	88	187	1,188	1,878
Office supplies	111	107	488	1,848	1,784
Other supplies	178	188	181	1,878	884
Payment to beneficiaries	0	0	0	0	0
Payroll taxes	1,488	1,811	4,518	6,128	8,817
Postage	88	97	118	184	108
Printing	108	28	204	887	848
Professional fees	1,114	1,087	1,118	8,818	1,484
Salaries	1,114	1,108	1,887	1,807	1,777
Salaries	97,793	97,817	88,888	78,828	115,888
Taxes and licenses	0	0	1,488	1,818	1,788
Telephone	487	1,141	0	0	0
Training	0	74	111	111	148
Utilities	408	728	781	1,824	1,887
Total	97,888	97,788	97,848	188,127	187,177

See accompanying notes to financial statements.

Services			Supporting Services		Total 2082 Program and Supporting Services Expenses	Total 2082
Drop-In Centers	Dropout Clinic	Total 2081	Medicaid and Mental	Trust and Adminis- trative		Total 2082
\$ 37	\$ 0	\$ 2,088	\$ 818	\$ 79	\$ 2,368	\$ 2,180
0	0	2,134	0	0	2,134	2,134
0	0	0	0	1,871	1,871	8,188
0	0	50,814	0	556	51,370	17,858
2,324	4,388	28,180	16,268	1,888	42,398	43,000
222	10	1,843	714	53	2,452	2,452
387	0	21,800	4,877	1,828	28,507	28,288
6,487	1,512	49,804	34,428	28,813	100,148	97,180
0	0	0	26,412	25	26,448	12,120
6,438	2,888	17,851	9,884	3,160	30,048	12,087
0	0	6,293	1,477	0	7,778	3,981
758	88	9,887	4,384	8,120	18,888	8,888
2,838	128	8,824	8,328	2,880	18,152	18,088
0	0	0	0	12,880	12,880	12,880
2,034	208	28,477	24,485	8,325	62,898	54,888
12	22	882	878	181	1,868	1,814
86	37	1,717	938	272	2,827	1,828
1,484	712	14,868	11,128	2,184	28,227	21,212
1,293	88	12,185	10,988	1,578	24,727	28,088
18,848	2,718	172,818	128,868	58,782	288,861	712,708
0	0	9,828	88	2,482	7,888	12
1,808	124	2,757	5,825	1	9,381	16,788
0	0	448	888	88	1,888	1,888
4,814	1,388	16,088	1,472	1,882	27,428	80,572
<u>888,202</u>	<u>478,282</u>	<u>824,288</u>	<u>6214,112</u>	<u>6020,802</u>	<u>61,082,431</u>	<u>81,227,212</u>

NAMI NEW ORLEANS, INC.
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2002
(Much Summarized Financial Information
for the Year Ended June 30, 2001)

	2002	2001
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Changes in net assets	\$192,463	\$ 1,394
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities:		
Depreciation and amortization	45,133	45,136
Net (increase) in receivables and prepaid expenses	(67,469)	(9,669)
Net increase in accounts payable	2,250	827
Net increase (decrease) in accrued liabilities	(19,836)	28,604
Change in split-interest agreement	(5,788)	7,478
Net (increase) in cash - Client funds	(1,814)	0
Net increase in funds held on behalf of clients	1,810	0
Forgiveness of debt	<u>140,359</u>	<u>0</u>
Net Cash Provided by Operating Activities	<u>88,563</u>	<u>73,382</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Proceeds from redemption of investments	0	38,408
Net decrease in loans to affiliates	0	3,284
Purchase of investments	(4,769)	(12,325)
Decrease in other receivables	0	3,810
Purchase of property and equipment	(42,812)	0
(Increase) in other assets	<u>(13,352)</u>	<u>0</u>
Net Cash Provided by (Used for) Investing Activities	<u>(59,833)</u>	<u>29,167</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Payment of notes payable	(21,344)	(19,387)
Decrease in deposit liability	<u>0</u>	<u>(173)</u>
Net Cash (Used for) Financing Activities	<u>(21,344)</u>	<u>(21,560)</u>
Net Increase in Cash and Cash Equivalents	0,386	125,564
Cash and Cash Equivalents -		
beginning of Year	<u>178,504</u>	<u>52,842</u>
End of Year	<u>\$178,890</u>	<u>\$178,406</u>

See accompanying notes to financial statements.

NAMI NEW ORLEANS, INC.
CONSOLIDATED STATEMENT OF CASH FLOWS
(Continued)
YEAR ENDED JUNE 30, 2003
(With Summarized Financial Information
for the Year Ended June 30, 2001)

	2001	2001
<u>Supplemental Disclosures of Cash Flow Information</u>		
Cash paid during the year for -		
Interest	\$11,805	\$11,331
Income taxes	\$ <u>0</u>	\$ <u>0</u>
<u>Non-cash Investing and Financing Activities</u>		
Forgiveness of debt by non-related working affiliate	\$40,000	\$ <u>0</u>

See accompanying notes to financial statements.

MMMI NEW ORLEANS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

A. Description of Organization

Business Activity

MMMI New Orleans, Inc. ("MMMI") (formerly Friends Alliance for the Mentally, Inc.) is a non-profit organization which operates in the New Orleans Metropolitan Area. It has several "Fee for Services" contracts with the Louisiana Office of Mental Health and also receives other funding from dues and donations. The Organization is dedicated to creating an environment to help individuals who have been socially and vocationally disabled by mental illness to achieve or regain the confidence and skills to live vocationally productive and socially satisfying lives.

The Charitable Remainder Annuity Trust ("Trust") was formed on December 19, 1997. The principal beneficiary of this Trust is MMMI and the Executive Director serves as the Trustee.

B. Summary of Significant Accounting Policies

Basis of Consolidation

The consolidated financial statements include the accounts of MMMI and the Trust. All significant inter-Company transactions have been eliminated.

Basis of Accounting

The financial statements of MMMI have been prepared on the accrual basis of accounting, and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

Financial statement presentation follows the recommendations of The Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Non-for-Profit Organizations. Under SFAS No. 117, MMMI is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Estimates

MMMI uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Accordingly, actual results could differ from these estimates.

NAMI NEW ORLEANS, INC.
NOTES TO FINANCIAL STATEMENTS
(Continued)
JUNE 30, 2002

Summary of Significant Accounting Policies (Cont'd)

Cash and Cash Equivalents

NAMI considers all highly liquid investments purchased with an initial maturity of three months or less to be cash equivalents.

Property and Equipment

NAMI capitalizes all expenditures for property and equipment in excess of \$500. Purchased property and equipment are carried at cost; donated property and equipment are carried at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method.

Net Assets

Net assets are included in one of the following three classes of net assets, depending on the presence and type of donor-imposed restrictions.

Unrestricted Net Assets - Those net assets whose use is not restricted by donors.

Temporarily Restricted Net Assets - Those net assets whose use has been limited by donors (a) to later periods of time or after specified dates, or (b) to specific purposes.

Permanently Restricted Net Assets - Net assets subject to state-imposed stipulations that resources be maintained permanently, but permits the organization to use up the economic benefit derived from these assets.

Medicaid

NAMI receives Medicaid funding under a fixed price arrangement. These amounts are specifically excluded from OMB Circular A-110 audit requirements. Medicaid funds totaling \$508,000 were received in 2002 and are included in program service fees.

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the Consolidated Statement of Activities and in the Consolidated Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

NAMI NEW ORLEANS, INC.
NOTES TO FINANCIAL STATEMENTS
(Continued)
JUNE 30, 2002

Summary of Significant Accounting Policies (Cont'd)

Investments

Under SFAS No. 124, investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the Consolidated Statement of Financial Position. Unrealized gains and losses are included in the changes in unrestricted or temporarily restricted net assets, depending on whether or not there are donor-imposed restrictions on the gains and losses.

Income Taxes

NAMI is exempt from Federal income tax under provisions of Section 501(c)(13) of the Internal Revenue Code, and is listed in the Treasury's charitable contribution directory. Accordingly, there is no provision for Federal income taxes.

C. Investments

Investments in equity securities with readily determinable fair market values and all investments in debt securities are stated at fair value, which is based on quoted market prices for these investments.

At June 30, 2002, investments held by NAMI consisted of a Government Money Market Fund valued at \$125,978.

Interest income on the investments for the year ended June 30, 2002, classified as Unrestricted in the Consolidated Statement of Activities, was \$8,052.

D. Due from State Agencies

Due from Federal and State agencies at June 30, 2002 is summarized as follows.

Department of Housing and Urban Development	\$ 23,021
Office of Human Services,	
Division of Mental Health	138,071
Medicaid	<u>85,108</u>
Total	<u>\$246,192</u>

Management considers all receivables for the year ended June 30, 2002 to be collectible; accordingly, no allowance for doubtful accounts was provided.

MMMI NEW ORLEANS, INC.
NOTES TO FINANCIAL STATEMENTS
(Continued)
JUNE 30, 1981

E. Property and Equipment

The related lives and accumulated depreciation for each category of assets is as follows:

<u>Asset</u>	<u>Life</u>	<u>Accumulated Depreciation</u>
Building and improvements	7 - 10 years	\$163,896
Office furniture and equipment	5 - 10 years	49,819
Transportation equipment	5 years	49,851
Household equipment	5 - 7 years	14,968
Educational, recreational, and cultural equipment	7 years	<u>1,132</u>
		<u>\$279,434</u>

Movable property with a cost of \$125,911 and a zero book value has been acquired with state grant funds, and has been capitalized as a component of property and equipment. Title and disposition control over such assets rests with the State of Louisiana. Accordingly, there are no permanently restricted net assets at June 30, 1981.

F. Long-Term Debt

MMMI's obligations under mortgages, notes payable and lease obligations consist of the following.

On February 1, 1980, MMMI entered into a refinancing agreement on all its properties. The financing was provided by Whitney National Bank in the amount of \$286,088, with interest at 7.5% per annum. The note is payable in 36 monthly installments of \$1,379, with a final installment in the amount of the remaining unpaid balance on February 1, 1984. The outstanding balance on this loan at June 30, 1981 was \$211,205.

In addition, on February 1, 1980, MMMI entered into a construction loan agreement (non-revolving line of credit) with a principal amount of \$219,092. During the construction period, interest accrued at the Wall Street Journal prime. On July 1, 1980, the aggregate principal amount was converted to an amortizing loan and bears interest at 7.5% per annum. This loan is payable in 48 monthly installments of principal and interest of \$1,045, with a final installment in the amount of the remaining unpaid balance on July 1, 1984. The outstanding balance on this loan at June 30, 1981 was \$181,531.

NAMI NEW ORLEANS, INC.
NOTES TO FINANCIAL STATEMENTS
(Continued)
JUNE 30, 2003

Long-Term Debt (Cont'd)

Both loans are secured by a collateral mortgage in the amount of \$750,000 on the following properties:

1. 1414 Florida Avenue, Kenner, Louisiana
2. 2831 Eighth Street, Harvey, Louisiana
3. 1810 Louisiana Avenue, New Orleans, Louisiana

Following is the schedule of future maturities of long-term debt.

Year ended June 30.	
2003	\$ 21,628
2004	310,387
2005	<u>173,987</u>
	<u>\$485,992</u>

9. Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes:

Restricted for life of donor: Charitable remainder trust	<u>\$103,308</u>
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10. Annuity payable

NAMI has entered into a gift annuity agreement whereby it accepted a donation and in return agreed to pay a fixed amount on a quarterly basis until the annuitant's death. A liability of \$148,831 has been recorded for the present value of the expected payment, based on life expectancy. Assets held in the charitable remainder trust totaled \$260,117 at June 30, 2003, and are reported at fair market value in the Organization's Statement of Financial Position.

The present value of estimated future payments is calculated using a discount rate of 3% and applicable mortality tables.

11. Concentration of Credit Risk/Minor Customers

Contracts with the State of Louisiana and Jefferson Parish, all of which are renewable annually, totaled \$720,391, or approximately 53% of service fee income.

Funds received from Medicaid totaled \$519,086, or approximately 38% of service fee income.

Funds received from the Department of Housing and Urban Development (HUD) totaled \$121,899, or approximately 9% of service fee income.

NAMI NEW ORLEANS, INC.
NOTES TO FINANCIAL STATEMENTS
(Continued)
JUNE 30, 2002

Concentration of Credit Risk/Major Customers (Cont'd)

At June 30, 2002, unsecured receivables from these agencies totaled \$236,192. Financial instruments that potentially subject NAMI to credit risk include these accounts receivable.

NAMI extends unsecured credit to the State of Louisiana and the U.S. Government. Financial instruments that potentially subject NAMI to credit risk include these accounts, which are shown as due from Federal and State Agencies.

4. Concentration of Credit Risk Arising from Cash Deposits in Excess of Insured Limits

The organization maintains its cash balances in one financial institution located in New Orleans, Louisiana. The balances are insured by the Federal Deposit Insurance Corporation up to \$100,000. At June 30, 2002, the Organization's uninsured cash balances totaled \$119,982.

K. Retirement Plan

NAMI offers a 401(k) plan to its employees. Employees electing to participate in the plan may elect to defer up to a maximum of 15% of compensation. The plan allows NAMI to make a discretionary match.

NAMI contributed \$24,727 to the retirement plan for the year ended June 30, 2002.

L. Related Party Transactions

The Organization is paid a management fee to oversee the operations of Friends Alliance Housing, Inc., a related entity. The income from management fees for the year ended June 30, 2002, classified as "unrestricted" in the Consolidated Statement of Activities, was \$3,800. The Organization also is paid a consulting fee from AMIS, a non-related working affiliate. The income from consulting fees for the year ended June 30, 2002, classified as "Unrestricted" in the Consolidated Statement of Activities, was \$12,271.

M. Prior Year Summarized Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2001, from which the summarized information was derived.

SUPPLEMENTARY INFORMATION

BANK NEW ORLEANS, [80].
 SCHEDULE OF ACTIVITIES - BY PROGRAM
 YEAR ENDING JUNE 30, 2002

	<u>National and General</u>		<u>Pain- wrestling Lodge</u>	<u>Care Management</u>
	<u>Spokane Friendship Club</u>	<u>Maple Bank Friendship Club</u>		
<u>SUPPORT, REVENUE AND GAINS</u>				
Support:				
Donations	\$ 0	\$ 0	\$ 0	\$ 0
Miscellaneous	0	0	0	0
Revenue and Gains:				
Fees for services	100,000	107,000	10,100	50,700
Investment income	0	0	0	0
Cash	0	0	0	0
Change in split-interest agreement	0	0	0	0
Rental income	0	0	0	0
Total Support, Revenue and Gains	100,000	107,000	10,100	50,700
<u>EXPENSES</u>				
Advertising	500	100	10	10
Amortization	0	0	0	0
Bank charges	0	0	0	0
Client assistance	0	0	0	0
Representation	0,100	0,100	0,000	1,500
Costs and subscriptions	500	500	50	50
Field travel	0,000	0,000	0,000	0,000
Insurance	0,000	0,000	0,000	0,000
Interest	0,000	0	0	0
Maintenance and repairs	0,000	0,000	0,000	0,000
Miscellaneous	1,000	0	0	0
Office supplies	0,000	0,000	0,000	0,000
Other supplies	0,000	0,000	0,000	0,000
Payments to beneficiaries	0	0	0	0
Payroll taxes	0,000	0,000	0,000	0,000
Postage	0,000	0,000	0,000	0,000
Printing	0,000	0,000	0,000	0,000
Professional fees	0,000	0,000	0,000	0,000
Retirement	0,000	0,000	0,000	0,000
Salaries	0,000	0,000	0,000	0,000
Taxes and licenses	0	0	0	0
Telephone	0,000	0,000	0,000	0,000
Training	0,000	0,000	0,000	0,000
Utilities	0,000	0,000	0,000	0,000
Total Expenses	0,000	0,000	0,000	0,000
<u>INCREASE (DECREASE)</u>				
<u>IN NET ASSETS</u>	0,000	0,000	0,000	0,000

Fees		Rental		Employ-		Drop-in		Support		Trust and Adminis-	Total
Support				ment		Centers		Plans		tration	
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
0	0	0	0	479	0	175	0	0	0	1,008	1,213
										59,049	59,228
74,172	181,288	187,828	73,883	0	0	0	0	0	18,828	1,381,288	1,381,288
0	0	0	0	0	0	0	0	0	4,053	4,851	4,851
0	0	0	0	0	0	0	0	0	1,518	1,518	1,518
0	0	0	0	0	0	0	0	0	9,788	9,788	9,788
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>15,583</u>	<u>0</u>	<u>25,183</u>	<u>25,183</u>
<u>74,172</u>	<u>181,288</u>	<u>187,828</u>	<u>73,883</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>15,583</u>	<u>0</u>	<u>25,183</u>	<u>25,183</u>
48	434	1,458	37	0	0	0	0	0	79	3,943	3,943
0	0	1,114	0	0	0	0	0	0	0	1,114	1,114
0	0	0	0	0	0	0	0	0	1,571	1,571	1,571
0	121,814	0	0	0	0	0	0	0	0	0	0
1,000	6,584	5,835	1,314	4,395	11	0	0	0	2,548	42,894	42,894
126	387	868	333	11	0	0	0	0	13	3,813	3,813
6,577	4,821	8,127	597	0	0	0	0	0	2,828	38,827	38,827
7,822	55,489	19,932	4,907	1,650	0	0	0	0	15,813	180,145	180,145
0	0	0	0	0	0	0	0	0	18	38,483	38,483
1,887	4,445	8,623	4,434	2,448	0	0	0	0	3,346	39,849	39,849
348	3,388	3,878	0	0	0	0	0	0	0	7,178	7,178
442	1,341	1,754	110	0	0	0	0	0	8,113	18,183	18,183
341	3,813	888	3,893	139	0	0	0	0	2,890	18,183	18,183
0	0	0	0	0	0	0	0	0	12,890	12,890	12,890
4,873	6,123	8,817	3,038	208	0	0	0	0	8,313	42,038	42,038
118	354	356	16	30	0	0	0	0	181	3,948	3,948
304	527	543	86	17	0	0	0	0	192	3,937	3,937
3,018	4,818	3,484	1,481	713	0	0	0	0	3,184	18,327	18,327
1,957	3,607	3,777	3,383	89	0	0	0	0	1,578	24,737	24,737
80,508	79,828	159,833	39,048	1,718	0	0	0	0	84,783	748,881	748,881
1,433	3,316	1,788	0	0	0	0	0	0	1,483	7,998	7,998
0	0	0	1,803	134	0	0	0	0	1	8,381	8,381
311	311	148	0	0	0	0	0	0	98	1,840	1,840
<u>831</u>	<u>8,834</u>	<u>9,687</u>	<u>4,814</u>	<u>1,753</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,829</u>	<u>27,838</u>	<u>27,838</u>
<u>86,942</u>	<u>187,327</u>	<u>177,371</u>	<u>88,183</u>	<u>18,308</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>18,308</u>	<u>123,893</u>	<u>1,188,451</u>	<u>1,188,451</u>
<u>816,720</u>	<u>813,978</u>	<u>8,31,836</u>	<u>8,3,563</u>	<u>81,301</u>	<u>813,773</u>	<u>8,132,173</u>	<u>8,132,173</u>	<u>8,132,173</u>	<u>8,132,173</u>	<u>8,132,173</u>	<u>8,132,173</u>

HALL NEW ORLEANS, INC.
SCHEDULE OF ACTIVITIES - BY PROGRAM
(Continued)
YEAR ENDED JUNE 30, 1961

	Medicaid and General			
	Optimal Friendship Club	New York Friendship Club	Fair- weather League	Cash Management Fund
EXPENSES, REVENUE AND GAINS				
Support:				
Donations	\$ 0	\$ 0	\$ 0	\$ 0
Miscellaneous	0	1,200	0	0
Revenue and gains:				
Fees for services	118,187	312,021	40,127	49,661
Investment income	0	0	0	0
Dues	0	0	0	0
Change in split-interest agreement	0	0	0	0
Rental income	0	0	0	0
Gain on disposal of property and equipment	0	0	0	0
Total Support, Revenue and Gains	118,187	312,021	40,127	49,661
EXPENSES				
Advertising	148	184	17	828
Amortization	2,174	0	0	0
Bank charges	0	0	0	0
Client assistance	0	0	0	0
Depreciation	18,118	8,043	1,488	1,181
Dues and subscriptions	850	134	128	77
Field travel	2,888	833	704	1,164
Insurance	18,480	13,875	1,871	4,078
Interest	22,321	0	0	0
Maintenance and repairs	4,871	8,185	704	1,084
Miscellaneous	1,774	1,887	282	184
Office supplies	1,888	1,829	343	142
Other supplies	3,032	2,484	217	138
Payments to bookbinding	0	0	0	0
Payroll taxes	11,132	11,182	2,888	2,753
Postage	538	319	60	87
Printing	880	271	42	58
Professional fees	9,144	1,812	1,178	128
Retirement	4,782	4,782	1,800	1,008
Salaries	142,338	142,625	15,429	24,282
Saxes and licenses	10	0	0	0
Telephones	4,578	1,731	449	1,168
Training	184	118	0	36
Utilities	1,820	1,282	681	1,588
Total Expenses	224,224	224,278	42,221	33,422
DECREASE (DECREASE) IN NET ASSETS	\$ 49,661	\$ 87,743	\$ 2,896	\$ 16,239

Post Summary		Reserve		Employee		Drop-In		Support		Trust and Admin-	Total
										istrations	
\$	0	\$	0	\$	0	\$	0	\$	0	\$ 8,987	\$ 8,987
	0		0		0		213		613	18,058	21,884
89,389		188,373		132,873		73,273		0		0	1,187,884
0		0		0		0		0		14,903	14,003
0		0		0		0		0		838	858
0		0		0		0		0		(7,478)	(7,478)
0		0		0		0		21,338		0	13,838
<u>0</u>		<u>0</u>		<u>0</u>		<u>0</u>		<u>0</u>		<u>714</u>	<u>714</u>
<u>-48,108</u>		<u>188,373</u>		<u>132,873</u>		<u>73,481</u>		<u>21,341</u>		<u>28,312</u>	<u>1,228,729</u>
37		80		768		187		147		43	2,788
0		0		0		0		0		0	2,124
0		0		0		0		0		4,158	4,158
0		57,850		0		0		0		0	57,850
2,381		1,888		4,882		6,487		4,882		4,380	45,002
172		185		488		247		14		0	2,639
8,882		8,882		3,823		308		0		1,488	28,188
7,653		4,442		18,137		6,883		118		24,345	87,183
0		0		0		0		0		20	38,133
958		1,318		2,114		2,818		1,378		2,358	27,057
218		288		973		155		168		5	7,881
357		813		1,113		1,434		48		851	8,986
179		1,587		1,613		3,482		188		1,882	14,008
0		0		0		0		0		22,882	12,500
3,834		5,882		6,897		3,251		285		5,115	84,889
83		273		268		28		51		188	3,834
58		280		282		5		7		188	1,628
1,878		4,411		1,882		1,388		821		1,788	21,313
2,048		4,150		2,790		1,508		288		1,258	25,888
81,884		78,884		128,188		82,818		2,882		44,318	722,728
0		0		0		0		0		0	35
1,808		1,488		1,878		1,508		118		1,814	18,788
0		254		537		10		27		18	1,588
<u>1,882</u>		<u>10,812</u>		<u>1,428</u>		<u>7,882</u>		<u>4,428</u>		<u>1,774</u>	<u>82,172</u>
<u>82,327</u>		<u>188,888</u>		<u>132,122</u>		<u>82,182</u>		<u>18,828</u>		<u>122,488</u>	<u>1,227,128</u>
<u>\$11,228</u>		<u>\$128,412</u>		<u>\$ 1,421</u>		<u>\$17,228</u>		<u>\$ 8,228</u>		<u>\$174,122</u>	<u>\$ 1,224</u>

MMMI NEW ORLEANS, INC.
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
JUNE 30, 1953

ASSETS

MMMI
New Orleans, Inc.

CURRENT ASSETS

Cash and cash equivalents	\$ 187,539
Investments	119,877
Due from Federal and State agencies	238,182
Prepaid expenses	15,238
Note receivable - Current portion	<u>0</u>
Total Current Assets	<u>\$540,836</u>

PROPERTY AND EQUIPMENT

Land	155,800
Building and improvements	889,806
Office furniture and equipment	59,768
Transportation equipment	78,871
Household equipment	34,971
Educational, recreational and cultural equipment	<u>1,237</u>
Total Property and Equipment	1,109,453
Less: Accumulated depreciation	<u>172,439</u>
Net Property and Equipment	<u>937,014</u>

OTHER ASSETS

Cash - Client funds	1,810
Note receivable - MMMI New Orleans, Inc.	0
Investment in trust	250,000
Deferred loan fees, net of accumulated amortization of \$6,826	1,421
Deposits	<u>8,129</u>
Total Other Assets	<u>261,360</u>
Total Assets	<u>\$1,740,500</u>

<u>Charitable Remainder Trust</u>	<u>Eliminating entries</u>	<u>Consolidated</u>
\$ 357	\$ 0	\$ 187,688
187,801	0	225,978
0	0	338,192
0	0	25,218
<u>2,149</u>	<u>(2,149)</u>	<u>0</u>
189,950	(2,149)	627,274
0	0	145,098
0	0	318,886
0	0	82,748
0	0	78,871
0	0	24,871
<u>0</u>	<u>0</u>	<u>1,237</u>
0	0	1,391,653
<u>0</u>	<u>0</u>	<u>272,452</u>
<u>0</u>	<u>0</u>	<u>1,018,124</u>
0	0	1,818
153,618	(180,430)	0
0	(250,800)	0
0	0	1,423
<u>0</u>	<u>0</u>	<u>8,152</u>
150,810	(180,618)	11,392
<u>160,117</u>	<u>(182,758)</u>	<u>51,697,601</u>

NAMI NEW ORLEANS, INC.
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
(Continued)
JUNE 30, 1962

NAMI
New Orleans, Inc.

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 14,138
Accrued expenses	16,758
Salaries payable	12,213
Current maturities of long-term debt	<u>23,678</u>
Total Current Liabilities	<u>66,787</u>

LONG-TERM DEBT

Non-current maturities	<u>532,834</u>
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OTHER LIABILITIES

Annuity payable	148,833
Funds held on behalf of clients	<u>1,810</u>
Total Other Liabilities	<u>150,643</u>

Total Liabilities	<u>749,264</u>
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NET ASSETS

Temporarily restricted	91,191
Unrestricted	<u>375,145</u>

Total Net Assets	<u>466,336</u>
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Total Liabilities and Net Assets	<u>\$1,215,600</u>
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<u>Charitable Remainder Trust</u>	<u>Eliminating Entries</u>	<u>Consolidated</u>
\$ 0	\$ 0	\$ 14,366
0	0	35,738
0	0	13,213
<u>0</u>	<u>2,162</u>	<u>23,523</u>
<u>0</u>	<u>2,242</u>	<u>22,826</u>
<u>0</u>	<u>150,810</u>	<u>382,284</u>
0	0	148,533
<u>0</u>	<u>0</u>	<u>1,810</u>
<u>0</u>	<u>0</u>	<u>153,143</u>
<u>0</u>	<u>132,732</u>	<u>618,493</u>
248,117	250,480	103,388
<u>0</u>	<u>0</u>	<u>926,148</u>
<u>248,117</u>	<u>250,480</u>	<u>1,979,457</u>
<u>\$248,117</u>	<u>\$402,732</u>	<u>\$1,497,860</u>

NAMI NEW ORLEANS, INC.
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
(Continued)
JUNE 30, 1961

ASSETS

Friends Alliance
for the
Mentally Ill.
INC.

CURRENT ASSETS

Cash and cash equivalents	\$ 174,599
Investments	118,468
Due from Federal and State agencies	173,911
Prepaid expenses	22,840
Note receivable - Current portion	<u>2</u>
 Total Current Assets	 <u>489,820</u>

PROPERTY AND EQUIPMENT

Land	165,088
Building and improvements	527,135
Office furniture and equipment	51,768
Transportation equipment	47,430
Household equipment	24,971
Educational, recreational and cultural equipment	<u>1,217</u>
 Total Property and Equipment	 1,318,741
Less: Accumulated depreciation	<u>339,446</u>
 Net Property and Equipment	 <u>1,009,295</u>

OTHER ASSETS

Note receivable - Friends Alliance for the Mentally Ill, Inc.	0
Investment in trust	251,040
Deferred loan fees, net of accumulated amortization of \$4,401	<u>1,557</u>
 Total Other Assets	 <u>252,597</u>
 Total Assets	 <u>\$1,749,893</u>

<u>Charitable Remainder Trust</u>	<u>Eliminating entries</u>	<u>Consolidated</u>
\$ 3,928	\$ 8	\$ 178,388
104,744	8	211,218
0	8	178,913
0	0	12,840
<u>2,184</u>	<u>(2,184)</u>	<u>0</u>
<u>106,662</u>	<u>(2,184)</u>	<u>186,647</u>
0	0	186,660
0	0	927,130
0	0	53,768
8	8	87,839
1	8	24,971
<u>0</u>	<u>0</u>	<u>1,237</u>
0	0	1,218,741
<u>0</u>	<u>0</u>	<u>229,446</u>
<u>0</u>	<u>0</u>	<u>1,609,565</u>
152,758	(152,758)	8
8	(250,080)	8
<u>0</u>	<u>0</u>	<u>3,527</u>
<u>152,159</u>	<u>(402,159)</u>	<u>3,527</u>
<u>5163,437</u>	<u>(5,160,783)</u>	<u>51,609,119</u>

NAME NEW ORLEANS, INC.
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
(Continued)
JUNE 10, 2021

Friends Alliance
for the
Mentally Ill,
Inc.

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 8,998
Accrued expenses	57,514
Salaries payable	10,270
Fee non-related working affiliate	40,800
Current maturities of long-term debt	<u>23,818</u>

Total Current Liabilities 140,640

LONG-TERM DEBT

Non-current maturities	588,000
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OTHER LIABILITIES

Annuity payable	<u>134,311</u>
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Total Liabilities 862,951

NET ASSETS

Temporarily restricted	97,510
Unrestricted	<u>120,112</u>

Total Net Assets 217,622

Total Liabilities and Net Assets \$1,140,573

<u>Charitable Remainder Trust</u>	<u>Eliminating Entries</u>	<u>Consolidated</u>
\$ 3,125	\$ 0	\$ 12,121
0	0	57,516
0	8	10,370
0	8	40,000
<u>0</u>	<u>3,934</u>	<u>21,834</u>
3,125	3,934	141,761
0	192,759	489,943
<u>0</u>	<u>0</u>	<u>154,321</u>
<u>3,125</u>	<u>194,763</u>	<u>791,326</u>
180,000	180,000	97,838
<u>10,302</u>	<u>8</u>	<u>811,474</u>
<u>243,302</u>	<u>250,850</u>	<u>958,934</u>
<u>4243,621</u>	<u>8404,761</u>	<u>41,400,310</u>

NAME NEW ORLEANS, INC.
CONSOLIDATING STATEMENT OF ACTIVITIES
YEAR ENDING JUNE 30, 1983

NAME
New Orleans, Inc.

SUPPORT, REVENUE AND GAINS

SUPPORT:

Donations	\$ 7,213
Miscellaneous	<u>53,528</u>
Total Support	<u>60,741</u>

Revenue and Gains:

Fees for services - GSN/JPSGA/BJD	1,331,288
Investment income	1,676
Fees	1,315
Change in split-interest agreement	5,768
Rental income	<u>23,382</u>

Total Revenue and Gains 1,363,329

Total Support, Revenue and Gains 1,424,070

EXPENSES

Program Services:

Fairweather Lodge	53,504
Care management	57,743
Fear support	98,947
Housing	187,227
Employment	177,271
Drop-In Centers	48,325
Newport Place	<u>24,276</u>

Total Program Services 641,033

Supporting Services:

Medicaid and general	316,111
Trust and administrative	<u>166,730</u>

Total Supporting Services 482,841

Total Expenses 1,123,874

INCREASE (DECREASE) IN NET ASSETS \$ 300,196

<u>Charitable Remainder Trust</u>	<u>Eliminating Entries</u>	<u>Consolidated</u>
\$ 0	\$ 0	\$ 7,313
<u>0</u>	<u>0</u>	<u>59,529</u>
<u>1</u>	<u>1</u>	<u>66,741</u>
1	1	1,393,389
13,148	18,778	8,052
0	0	1,838
0	0	5,798
<u>0</u>	<u>0</u>	<u>25,538</u>
<u>13,148</u>	<u>18,778</u>	<u>1,381,171</u>
<u>13,148</u>	<u>18,778</u>	<u>1,457,314</u>
0	0	63,826
0	0	97,743
0	0	98,942
0	0	187,227
0	0	177,271
0	0	68,385
<u>0</u>	<u>(18,778)</u>	<u>14,228</u>
<u>0</u>	<u>(18,778)</u>	<u>649,218</u>
0	0	816,111
<u>13,148</u>	<u>0</u>	<u>120,682</u>
<u>13,148</u>	<u>0</u>	<u>838,171</u>
<u>13,148</u>	<u>(18,778)</u>	<u>1,285,491</u>
\$ <u>(134)</u>	\$ <u>0</u>	\$ <u>172,661</u>

MADE NEW ORLEANS, INC.
CONSOLIDATING STATEMENT OF ACTIVITIES
(Continued)
YEAR ENDING JUNE 30, 2001

	Friends Alliance for the Mentally Ill, Inc.
<u>SUPPORT, REVENUE AND GAINS</u>	
Support:	
Donations	\$ 8,887
Miscellaneous	<u>21,804</u>
Total Support	<u>30,691</u>
Revenue and Gains:	
Fees for services - OMH/JPHSA	1,187,854
Investment income	8,181
Dues	828
Change in split-interest agreement	(7,438)
Rental income	33,838
Gain on disposal of property and equipment	<u>714</u>
Total Revenue and Gains	<u>1,192,457</u>
Total Support, Revenue and Gains	<u>1,223,148</u>
<u>EXPENSES</u>	
Program Services:	
Fairweather Lodge	49,293
Case management	55,608
Peer support	88,327
Housing	186,688
Employment	183,101
Drop-in Centers	86,342
Newport Place	<u>38,823</u>
Total Program Services	<u>698,214</u>
Supporting Services:	
Medicaid and general	469,879
Trust and administrative	<u>97,103</u>
Total Supporting Services	<u>566,982</u>
Total Expenses	<u>1,265,196</u>
<u>INCREASE (DECREASE) IN NET ASSETS</u>	<u>\$ (42,048)</u>

<u>Charitable Remainder Trust</u>	<u>Eliminating Entries</u>	<u>Consolidated</u>
\$ 0	\$ 0	\$ 8,357
<u>0</u>	<u>0</u>	<u>21,884</u>
0	0	30,441
0	0	1,167,884
16,736	18,908	14,802
0	0	658
0	0	17,418
0	0	22,518
<u>0</u>	<u>0</u>	<u>714</u>
16,736	18,908	1,124,388
16,736	18,908	1,224,729
0	0	48,293
0	0	88,600
0	0	88,127
0	0	186,688
0	0	191,191
0	0	88,182
<u>0</u>	<u>(18,908)</u>	<u>14,888</u>
0	(18,908)	519,313
0	0	488,872
13,141	<u>0</u>	<u>110,884</u>
13,141	0	609,916
13,141	(10,985)	1,327,335
\$ 1,545	\$ 0	\$ 1,324

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND
ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Executive Director and Board of Directors
NAMI New Orleans, Inc.
New Orleans, Louisiana

We have audited the financial statements of NAMI New Orleans, Inc. ("NAMI") as of and for the year ended June 30, 2002, and have issued our report thereon dated September 16, 2002. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether NAMI's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered NAMI's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL
OVER FINANCIAL REPORTING BASED ON AN ASSET OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

not reduce to a relatively low level the risk that misstatements in accounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Executive Director, Board of Directors, management, and the Louisiana Legislative Auditor, and is not intended to be and should not be used by anyone other than these specified parties.

Spidbey, Hamilton, Reynolds, Poirier

September 16, 2002

SPELSBERG, HAMILTON, LEGENDRE & PACINA

CERTIFIED PUBLIC ACCOUNTANTS

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Executive Director and Board of Directors
NAMI New Orleans, Inc.
New Orleans, Louisiana

We have audited the financial statements of NAMI New Orleans, Inc. ("NAMI") (a non-profit organization) as of and for the year ended June 30, 2002, and have issued our report thereon dated September 16, 2002.

We conducted our audit in accordance with U.S. generally accepted auditing standards and government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts and grants applicable to NAMI New Orleans, Inc. is the responsibility of the management of NAMI New Orleans, Inc. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of NAMI's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of the Executive Director, Board of Directors, management, and the Louisiana Legislative Auditor, and is not intended to be and should not be used by anyone other than these specified parties.

Spelsberg Hamilton, Legendre & Pacina

September 16, 2002